**Niranjan Kumar**
Registered Valuer - Securities or Financial Assets

**Strictly Private and Confidential**

Date: 31 May 2022

| | |
|---|---|
| **The Board of Directors** | **The Board of Directors** |
| Ador Welding Limited, | Ador Fontech Limited, |
| Ador House, 6, K, Dubash Marg, | Belview 7 Haudin Road, |
| Fort, Mumbai – 400001 | Bengaluru – 560042 |

**Subject: Recommendation of fair share exchange ratio for the proposed amalgamation of Ador Fontech Limited ('ADFL') with Ador Welding Limited ('AWL')**

Dear Sir(s)/ Madam,

We refer to the engagement letter dated 23 May 2022 whereby the Board of Directors of Ador Fontech Limited ('ADFL' or 'Transferor Company') and Ador Welding Limited ('AWL' or 'Transferee Company'), appointed Niranjan Kumar, Registered Valuer - Securities or Financial Assets ('NK', or 'us' or 'we' or the 'Valuer') to undertake valuation exercise and recommend a fair share exchange ratio for the proposed amalgamation ('Proposed Amalgamation') of ADFL with AWL.

Hereinafter, the Management including the Board of Directors of AWL and ADFL shall together be referred to as 'the Management'; the Transferor Company and Transferee Company shall together be referred to as 'Companies'.

Please find enclosed the report (comprising 14 pages including annexures) detailing our recommendation of fair share exchange ratio for the Proposed Amalgamation, methodologies employed, and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us, and our recommendation of the fair share exchange ratio.

## BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

### Ador Welding Limited

AWL, founded in 1951 with its head office at Mumbai, Maharashtra, is a subsidiary of J. B. Advani Co. Private Limited ('JB Advani'). AWL is engaged in the business of manufacturing & selling of various products such as welding and cutting equipment, CNC machines, welding automation products as well as welding accessories. It is also engaged in the business of Flares & Process Equipment. It's consumables products and services include electrodes, wires, agency items related to consumables. Equity shares of AWL is listed on BSE Limited and National Stock Exchange of India Limited (NSE).

AWL has a wholly owned subsidiary viz. Ador Welding Academy Private Limited ('AWAPL'). We understand from the Management of AWL that AWL and AWAPL has filed a scheme of amalgamation (merger by absorption) to merge AWAPL into AWL with an appointed date of 1 April 2021. However, the scheme is pending for National Company Law Tribunal (NCLT) approval.

**Ador Fontech Limited**

ADFL, founded in 1974 with its head office in Bangalore, Karnataka. ADFL is engaged in the business of 'Life Enhancement of Industrial Components' which includes products, services and solutions for reclamation, repairs and maintenance. It provides its services to mining industries, power plants, railways, road transport workshops, sugar mills, cement plants, fertilizer and chemical plants, defense workshops, shipping industries, oil drilling, refining and transportation sectors. Equity shares of ADFL is listed only on BSE Limited.

We understand that the Management of the Companies are contemplating a scheme of amalgamation (merger by absorption), wherein they intend to amalgamate ADFL with AWL; in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein, in each case, as amended from time to time, in a manner provided in the draft scheme of amalgamation (merger by absorption) ('the Scheme'). Further, as consideration for the Proposed Amalgamation under Part II of the Scheme, equity shares of the Transferee Company would be issued to the equity shareholders of Transferor Company respectively;

The equity shares to be issued for the aforesaid Proposed Amalgamation will be based on the fair share exchange ratio as determined by the Board of Directors on the basis of the fair share exchange ratio report prepared by us.

In connection with the above-mentioned Proposed Amalgamation, the Management has appointed Niranjan Kumar, Registered Valuer – Securities or Financials Assets ('NK') to submit a report recommending a fair share exchange ratio for the Proposed Amalgamation.

We would like to emphasize that certain terms of the Proposed Amalgamation are stated in our report, however the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

We understand that the appointed date for the Proposed Amalgamation shall be 1 April 2022 as defined in the Scheme, or such other date as the competent authority may direct or approve. We have carried out our Valuation to determine the fair share exchange ratio for the Proposed Amalgamation as at the date of report ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Companies and then arrive at the fair share exchange ratio using internationally accepted valuation methodologies as may be applicable to the Companies including requirement prescribed by the Securities Exchange Board of India ('SEBI') Regulations as may be applicable to listed companies and report on the same in accordance with

NIRANJAN KUMAR
REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

generally accepted professional standards including ICAI Valuation Standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI).

The Management have informed us that:

a) There would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective without approval of the shareholders and other relevant authorities;

b) There are no unusual/ abnormal events in the Companies other than those represented to us by the Management till the report date materially impacting their operating / financial performance.

c) There would be no significant variation between the Scheme and the final scheme approved and submitted with the relevant authorities.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

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**SHAREHOLDING PATTERN OF COMPANIES:**

**Ador Welding Limited**

The share capital of AWL as at the Valuation Date comprises of 13,598,467 equity shares with a face value of INR 10/- each. Equity shareholding pattern of AWL as at the Valuation Date is set out below:

| Name of shareholder | Number of shares | Percentage (%) |
|---|---|---|
| **Promoter & Promoter Group** | | |
| Individuals | 937,181 | 6.9% |
| JB Advani | 6,800,531 | 50.0% |
| **Public** | 5,860,755 | 43.1% |
| **Total no. of equity shares outstanding** | **13,598,467** | **100.0%** |

**Ador Fontech Limited**

The share capital of ADFL as at the Valuation Date comprises of 3,50,00,000 equity shares with a face value of INR 2/- each. Equity shareholding pattern of ADFL as at Valuation Date is set out below:

| Name of shareholder | Number of shares | Percentage (%) |
|---|---|---|
| **Promoter & Promoter Group** | | |
| Individuals | 4,515,763 | 12.9% |
| JB Advani | 9,213,301 | 26.3% |
| **Public** | 21,270,936 | 60.8% |
| **Total no. of equity shares outstanding** | **35,000,000** | **100.0%** |

**SOURCES OF INFORMATION**

In connection with this exercise, we have used the following information received from the Management and/or obtained from the public domain:

**A. Companies' specific information:**

Information provided by the Management which includes:

- Audited consolidated financial statements of the Companies for the financial year ('FY') ended 31 March 2021 ('FY21') and 31 March 2022 ('FY22');
- Draft scheme of amalgamation (merger by absorption) of ADFL with AWL pursuant to which Proposed Amalgamation is undertaken;
- Shareholding pattern of the Companies as at the Valuation Date; and
- Discussions and correspondences with the Management to inter-alia understand the historical performance, key value drivers, and competitive scenario affecting the Companies;
- Other information and documents considered relevant for the purpose of this engagement.

NIRANJAN KUMAR REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

**B. Industry and economy information:**

- Information available in public domain and databases such as Capital IQ and other subscribed databases.
- Such other information and relevant data, representations, information and explanations provided by the Management as considered relevant for the purpose of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management.

The Management of the Companies have been provided with the opportunity to review the draft report (excluding the recommended fair share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our report.

**PROCEDURE ADOPTED**

Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
  - Understand the business and fundamental factors that affect the business of the Companies including their earning generating capability.
  - Enquire about the historical financial performance and current state of affairs.
- Analyzed the economic and competitive environments in which the Companies operate;
- Considered the draft scheme of amalgamation (merger by absorption) of ADFL with AWL;
- Such other analyses, reviews and inquiries, as we considered necessary;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Companies operates and analysis of size of business operations, the stage of the Companies in its lifecycle, financial performance, etc.; and
- Arrived at valuations of the Companies using the method/(s) considered appropriate;
- Arrived at the fair share exchange ratio for the Proposed Amalgamation of ADFL with AWL.

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## SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

The recommendation contained herein is as at the Valuation Date and is not intended to represent value at any time other than the date of the report.

This report, its contents and the results herein are specific and subject to:

- the purpose of the valuation agreed as per the terms of the engagement;
- the date of the report;
- market price reflecting the fair value of the underlying equity shares of AWL & ADFL; and
- data detailed in the section - Sources of Information

We have been informed by the Management that the business activities of the Companies have been carried out in the normal and ordinary course between the latest financials and the report date and that no material changes have occurred in their respective operations and financial position between the latest available financials and the Valuation Date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account the relevant factors. There will always be several factors e.g., Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statements, but which will strongly influence the equity value/ the worth of the security.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Management (or its representatives) till the date of this report and other sources, and the said conclusion shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value for arriving at fair share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the fair share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the fair share exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies, who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

NIRANJAN KUMAR
REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section - Sources of Information by the Management.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

i) the accuracy of information that was publicly available which formed a substantial basis for the report; and
ii) the accuracy of information made available to us by the Management.

We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the advisors, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management have indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

This report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of fair share exchange ratio only.

NIRANJAN KUMAR REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

Certain terms of the Proposed Amalgamation are stated in our report, however the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of ADFL and AWL, who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance, shall the liability of NK exceed the amount as agreed in our Engagement Letter.

This Valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair share exchange ratio for the Proposed Amalgamation and relevant filing with regulatory authorities in this regard, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of the Companies shall trade following announcements of the Proposed Amalgamation and we express no opinion or recommendation as to how shareholders of the Companies should vote at any shareholders' meetings. Our report and the opinion/ valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

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NIRANJAN KUMAR
REGISTERED VALUER
NK
SECURITIES OR FINANCIAL ASSETS

## VALUATION APPROACH & METHODOLOGY

**Basis and Premise of Valuation:**

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ('ICAI VS'), considering 'relative value' base and 'going concern' premise. Valuation base means the indication of the type of value being used in an engagement. Any change in the Valuation base, or the Valuation premise could have a significant impact on the Valuation outcome of the Companies.

**Basis of Valuation**

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under:

*'Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.'*

**Premise of Value:**

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

*'Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc.'*

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Commonly accepted approach/ methods for determining the value of the equity shares of a company/ business, include:

- Market Approach
  a. Market Price method
  b. Comparable Companies Market Multiple method
- Income Approach – Discounted Cash Flow method

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- Asset Approach – Net Asset Value Method

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of the equity shares of the Companies for the purpose of recommending the fair share exchange ratio, to the extent relevant and applicable:

**<u>Market Approach</u>**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

<u>Market Price Method</u>

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transaction and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

*In the present case, equity shares of AWL are listed on NSE as well as BSE while equity shares of ADFL are listed on BSE only. Equity shares of AWL and ADFL are widely held, regularly and frequently traded with reasonable volumes on NSE and BSE respectively. We have therefore used the market price approach to value the equity shares of ADFL and AWL. We have considered higher of 10 trading days' or 90 trading days' volume weighted average price prior to report date to arrive at the market price of the respective Companies.*

<u>Comparable Companies Multiple (CCM) Method</u>

Under this method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

NIRANJAN KUMAR REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

*Based on our analysis and discussion with the Management, we understand that there are no listed companies that can be considered as a company comparable to the Companies having regard to the size, business profile and financial performance, we have therefore not used CCM Method to value the equity shares of respective Companies.*

<u>Comparable Transaction Multiple (CTM) Method</u>

Under Comparable Transaction Method, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

*Based on our market analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of ADFL and AWL, we have therefore not used CTM method to value the equity shares of these Companies.*

**<u>Income Approach - Discounted Cash Flow ('DCF')</u>**

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital - both debt and equity.

- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

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Under the DCF method the projected free cash flows to the firm for the horizon period are discounted at the weighted average cost of capital. Terminal value of the business at the end of the horizon period is estimated based on an appropriate perpetual growth rate considering inter-alia long-term inflation and other business-related factors. The sum of the discounted value of such free cash flows for the horizon period and terminal value is the enterprise value. Adjustments for debt and debt-like items, cash and cash equivalents, post balance sheet events and contingent liability (if any) adjusted for probability of devolvement is considered to determine the equity value.

*AWL and ADFL both are listed companies and since the information related to future financial projections of the Company are price sensitive in nature, we therefore have not used DCF method to determine the value of the equity shares of AWL and ADFL.*

**<u>Asset Approach</u>**

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies in its underlying assets and not in the ongoing operations of the business.

*Valuation of AWL and ADFL is carried out on a 'going concern' premise. The historical net asset value of the business may not be representative of their earning potential. Further, self-generated key intangibles such as technology, customer relationship, brand/ trademark, distribution network may not be reflected in their historical net asset value. The Companies are profitable and is expected to continue to generate profits. Since NAV does not value the profit generating ability of the Companies, Asset Approach has not been adopted for the valuation of the Companies.*

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**RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION**

The fair share exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transferor company and Transferee company for the proposed scheme of amalgamation (merger by absorption) based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the recommended fair share exchange ratio.

*Refer Annexure 1 for value per share under different methods prescribed and the fair share exchange ratio.*

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions described in this report and the engagement letter, we recommend the fair share exchange ratio as follows:

**To the equity shareholders of ADFL:**

*5 (Five) equity shares of AWL having a face value of INR 10/- each fully paid-up shall be issued for every 46 (Forty-six) equity shares held in ADFL having a face value of INR 2/- each fully paid-up.*

Respectfully submitted,

NIRANJAN KUMAR • REGISTERED VALUER-SEC. OR FIN. ASSETS
IBBI
Regn. No.
IBBI/RV/06/
2018/10137

Niranjan Kumar
Registered Valuer- Securities or Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 22121635AJYENI5231

Date: 31 May 2022
Place: Pune

## Annexure 1 – Summary of fair share exchange ratio

### Amalgamation of ADFL (Transferor Company) with AWL (Transferee Company)

| Approach/Method of Valuation | AWL | | | ADFL | | |
|---|---|---|---|---|---|---|
| | Value per Share (INR) | Weights | Product | Value per Share (INR) | Weights | Product |
| Market Approach - Market Price Method | 677.8 | 100.0% | 677.8 | 73.7 | 100.0% | 73.7 |
| Income Approach - Discounted Cash Flow Method | NA | 0.0% | NA | NA | 0.0% | NA |
| Asset Approach - Net Asset Value Method | NA | 0.0% | NA | NA | 0.0% | NA |
| **Total** | | **100.0%** | **677.8** | | **100.0%** | **73.7** |
| **Relative value per equity share (INR)** | | | **677.8** | | | **73.7** |
| **Recommended Fair Share Exchange Ratio (Rounded off)** | | | | | | **9.20** |

*NA: Not Adopted*

**Notes:**

**1) Market Approach – Market Price Method**

The equity shares of AWL and ADFL are listed on any stock exchange, we have therefore considered market price method to determine the fair value of equity shares of AWL and ADFL.

**2) Income Approach – Discounted Cash Flow Method**

AWL and ADFL both are listed companies and since the information related to future financial projections of the Company are price sensitive in nature, we were not provided with the financial projections of these Companies by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of AWL and ADFL.

**3) Asset Approach – NAV Method**

AWL and ADFL, presently operate as a going concern and would continue to do so for the foreseeable future and NAV Method does not value the future profit generating ability of the business, we have therefore not used this method to value the equity shares of AWL and ADFL.

NIRANJAN KUMAR REGISTERED VALUER NK SECURITIES OR FINANCIAL ASSETS

ANNEXURE III B

To,

**Manager - Listing Compliance**

**BSE Limited**

Listing Department

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai- 400 001

Dear Sir / Madam,

**Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited ("Transferor Company" or "ADFL") with Ador Welding Limited ("Transferee Company" or "AWL") and their respective shareholders under the provisions of Section 230 to 232 of the Companies Act 2013 (the "Scheme").**

In connection with the above application, we hereby confirm that no material event(s) impacting the valuation has occurred during the intervening period of filing the Scheme documents with the Stock Exchange and period under consideration for valuation.

For **ADOR FONTECH LIMITED**

ADOR FONTECH LIMITED
H.O.
BANGALORE

**GEETHA D**

**COMPANY SECRETARY**

**Date:** 14th June, 2022

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DNV Certification B.V., The Netherlands

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**ANNEXURE III B**

To,
**BSE Limited,**
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

Dear Sir / Madam,

**Application under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited ("Transferor Company" or "ADFL") with Ador Welding Limited ("Transferee Company" or "AWL") and their respective shareholders under the provisions of Section 230 to 232 of the Companies Act 2013 (the "Scheme").**

In connection with the above application, we hereby confirm that no material event impacting the valuation has occurred during the intervening period of filing the Scheme documents with Stock Exchanges and period under consideration for valuation.

For **ADOR WELDING LIMITED**

ADOR WELDING LIMITED
FORT
MUMBAI
400 001.
REGD. & CORPORATE OFFICE

VINAYAK M. BHIDE
**COMPANY SECRETARY**

**Date:** 15th June, 2022